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C O N F I D E N T I A L SECTION 01 OF 02 TEGUCIGALPA 000940

SENSITIVE SIPDIS

STATE FOR WHA/CEN, CA/VO

E.O. 12958: DECL: 09/18/2019 TAGS: PGOV PREL KDEM CVIS HO

SUBJECT: TFHO1: PHONE CONVERSATION WITH DE FACTO FINANCE

MINISTER

Classified By: Classified by Hugo Llorens for reasons 1.4 (b & d)

- 11. (C) Summary: Consul General (CG) received a phone call September 17 from Gabriela Nunez, de facto regime Minister of Finance. Nunez was calling to find out if her U.S. visa had been revoked, as she anticipated being invited to Washington, D.C. by the World Bank for consultations. CG confirmed her visa was currently valid, but advised caution and discretion in traveling to the United States as a representative of a regime not recognized by the U.S. government. CG strongly urged Nunez to use her close relationship with de facto President Roberto Micheletti to bring him back to the San Jose negotiations in good faith. Nunez agreed to do so. Summary.
- ¶2. (C) Gabriela Nunez (de facto regime Finance Minister, former head of the Honduran Central Bank, and Liberal Party vice presidential candidate aligned with then President of Congress Roberto Micheletti) called the CG on September 17, 2009 to find out if her U.S. visa were still valid, as she anticipated being invited by the World Bank and other International Financial Institutions (IFI's) for consultations within the next week. Nunez stated that though she was a member of the de facto regime, she had remained separate from the political actions taken by it, and focused on the economic and financial good of the country. She also reported that she and Zelaya administration Minister of Finance Rebecca Santos were to be given "observer" status at the World Bank's general meetings in early October in Istanbul. Nunez said she had been in discreet contact with the World Bank on various pressing issues, naming Pamela Cox and Linda Fragenti as her interlocutors. Nunez had, in fact, planned a trip to the United States the week of September 7, but had cancelled out of concern for her visa status, giving her need to present a budget to Congress as her excuse for cancelling. CG asked if it was her impression that by inviting her, the World Bank was in some way recognizing the de facto regime, but she replied that she didn't take the invitation as recognition. Nunez said she had a video conference with World Bank officials scheduled for September <u>¶</u>18.
- 13. (C) CG then took advantage of her call to lay out the U.S. and international community position on the coup, noting that this was a critical moment for negotiations, and urging

her to use her strong relationship with Micheletti to bring him back to the negotiating table in good faith. CG pointed out that the U.S. and international community were well aware of the leading role President Zelaya had played in creating an atmosphere of mistrust leading up to June 28, but that the legal and common sense conclusion of all outside Honduras was that what had happened could only be called a coup d, etat. Elections before a restoration of the democratic and constitutional order, unobserved and possibly disrupted, would not bring Honduras out of isolation. CG emphasized that the U.S. and international community strongly believed that the Arias process offered an exit from this crisis, without winners or losers other than Honduras and the Honduran people as the winners. CG urged her to talk to Micheletti to push him to consider the long-term good for Honduras and to grab the chance offered by San Jose out of the crisis. CG assured Nunez that the U.S. was on Honduras' side, and would not turn its attention away if Zelaya were allowed to return under a negotiated agreement.

14. (C) Nunez listened attentively, did not disagree with anything said, and promised to engage with the political situation, admitting that it was in reality impossible to separate the financial from the political. She acknowledged that Micheletti has a lot of confidence in her, and hoped she could be helpful. She expressed her admiration for the United States and said she was grateful to be able to hear our position, in spite of the restrictions on U.S. contact with the de facto regime. She agreed to keep the conversation confidential, and said she would call the CG after the video conference.

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15. (C) Comment: Prior to joining the de facto regime, the U.S.-educated Nunez was a good Embassy contact, respected for her professionalism and integrity. She has also long been very close to Micheletti, especially during his unsuccessful run for the Liberal Party presidential nomination. She is the latest in a series of important de facto actors to reach out to the Embassy following the revocation of 13 visas of de facto members and supporters, and seemed genuinely interested in helping to reach a solution to the current crisis. Nevertheless, we will work with Treasury, EEB and WHA to discourage her from attending any IFI meetings; doing so would send a confusing and counterproductive signal about international recognition of the de facto regime. LLORENS